

■ Conference Preview: "Motivating Today's Employees" • Boston • Aug. 2-4

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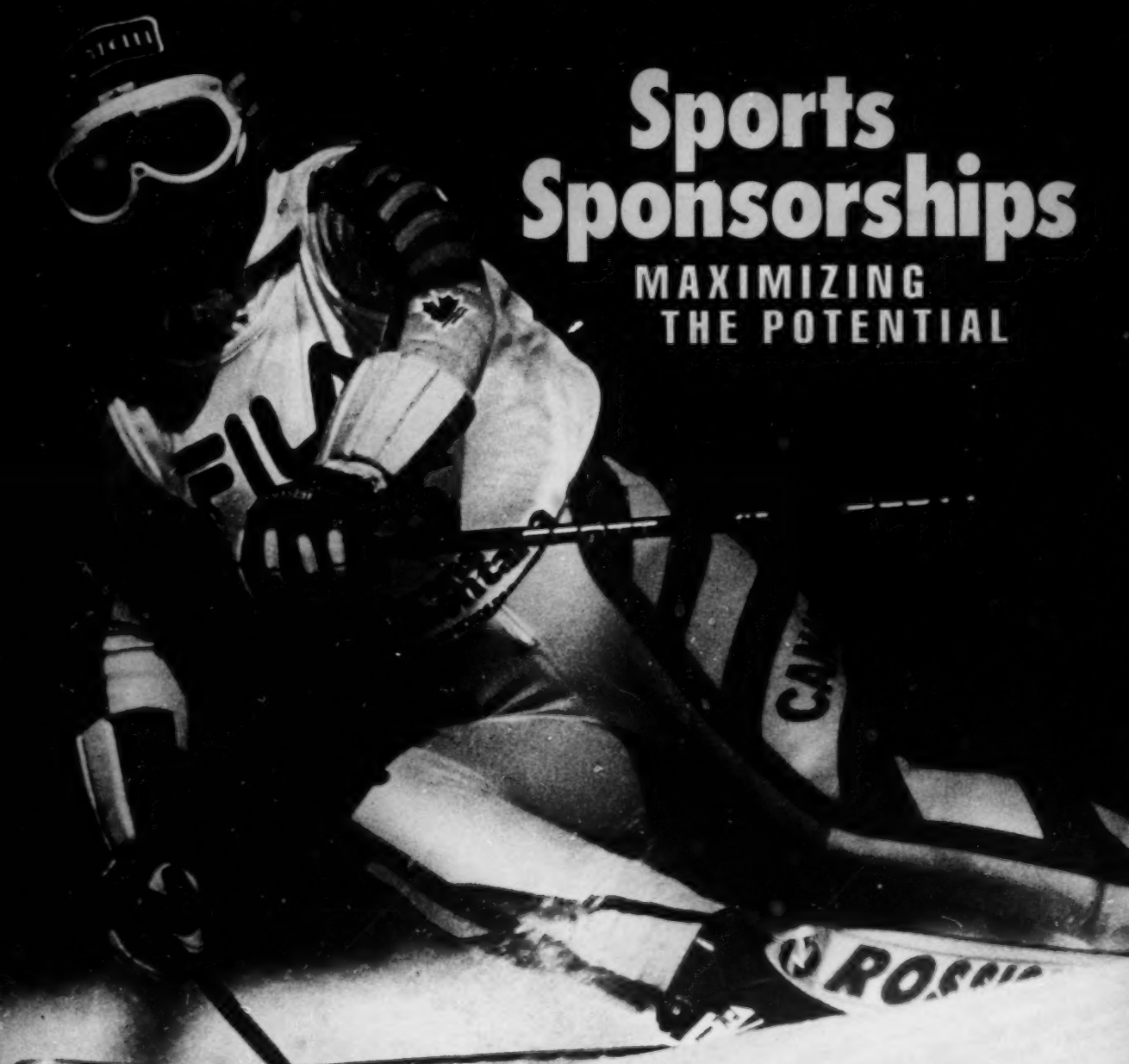
JUNE 1988

INCENTIVE

MANAGING AND MARKETING THROUGH MOTIVATION

Sports Sponsorships

MAXIMIZING
THE POTENTIAL

- 
- ▶ SHOPPING SPREES: WHO'S THE REAL WINNER?
 - ▶ FIRST FACTS SURVEY ON EMPLOYEE MOTIVATION
 - ▶ BAXTER HEALTHCARE'S BLUEPRINT FOR QUALITY

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INCENTIVE

MANAGING AND MARKETING THROUGH MOTIVATION

JUNE 1988

84th YEAR, VOL. 162, NO. 6

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INCENTIVE covers the methods used by organizations to motivate customers at all levels to buy and employees to work more effectively.

Cover Photo: Focus on Sports

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Sports sponsorship is more than just plastering your company's name across a race car. Use the sponsorship as a focal point for a comprehensive motivation campaign.

BY JOANNE LEVINE

Sports Sponsorships

MAXIMIZING THE POTENTIAL

The score is tied. Three minutes remain in the game. Tension fills the air. The home team scores. The crowd goes wild. And the thrill of victory is not just for the players but for the corporate sponsors as well.

Corporations have caught on to the public's love affair with sports—from wind-surfing to football—and are using them as a selling tool. Growing by leaps and bounds, sports sponsorships are no longer used as just advertising vehicles but as focal points in motivation

campaigns for consumers, dealers and employees.

Ninety percent of all Americans are involved in sports. Sporting events drew about 426 million spectators last year. Millions more participate as television viewers, newspaper readers or players in amateur events, according to Hilary Mark, vice president of DelWilber & Associates, a McLean, Va.-based event marketing company.

No longer confined to beer and cigarette makers, sports are attracting sponsors ranging from insurance companies to auto makers. In 1988, 3,700 companies will spend about \$1.4 billion on sponsorship fees, said Lesa

Ukman, editor of Chicago-based Special Events Report, a newsletter that tracks sponsorship. This is more than double the number of companies involved and the amount spent in 1985.

Ukman attributes the growth to the steep price of network television advertising and the increasingly complex world of media, which includes myriad publications, cable TV and other unconventional outlets. Many credit the monumental success of corporate involvement in the 1984 Los Angeles Summer Olympics for giving credibility to sports marketing. Companies are scurrying for targeted, cost-efficient methods to relay their messages. "For a fraction of the amount spent on advertising, sponsorship can sell an image to a targeted audience," said Michael Aisner, director of the Coors

■ TOP 5 1988 CORPORATE CONTRIBUTIONS

(FIGURES IN MILLIONS)

MOTOR SPORTS	\$276
GOLF	\$126
WINTER OLYMPICS	\$80
RUNNING	\$50
PRO TENNIS	\$47

Source: Special Events Report, Chicago

International Bike Classic in Boulder, Colo.

However, the furious growth has some marketers whispering about clutter. "The popularity of sports sponsorship is putting pressure on companies to take a secondary role" in particular events, said John Mellein, manager of event marketing for the Milwaukee-based Miller Brewing Company. "The more sponsors an event has, the harder it is for an individual company to stand out. Companies should focus on maximizing participation of each event, not the quantity they sponsor."

To reap the benefits, progressive companies have integrated sponsorships into their advertising and publicity campaigns as well as motivation programs for consumers, the trade and employees. "Marketers have realized that the sponsorship itself does very little," said DeWilber's Mark. "It is what the company chooses to do with it. If you don't leverage your sponsorship, you lose out."

The first step in sports sponsorship is to establish objectives: creating an image for a company's product or service, increasing sales, garnering trade support, generating store traffic, or motivating employees, for example.

Measure the prospective sports against the company's image. "Does the property match the image portrayed in the current ad campaign?" asked Don Dixon, president of New York-based Howard Marlboro Sports and Special Events. "If you promote quality in your ads, the sport's image better reflect quality." Yacht racing might be appropriate, for example, and mud wrestling may not.

Consumer marketers must evaluate how their customers will relate to a sport. Does the demographic profile of the sport's enthusiasts match the demographic profile of your target consumer?

The campaign's objectives will determine whether the marketer needs to match the demographic profile of the sport's spectators or its amateur participants, said Mark. "Obviously, if it's an ad campaign, you need to know who watches the sport," she said. "On the other hand, if a promotion involves a tournament, then you need to know who participates."

In some cases, like tennis and golf, the people who play are the people who are most likely to watch. Fortunately, promotion agencies can provide marketers with an abundance of demographic information relating to sporting events.

Entertaining the trade often is a reason for sponsoring



FOCUS ON SPORTS

a sport. "When a company sponsors a tennis tournament, it can reserve special seats and give them to the trade," said William Robinson, president of Chicago-based William A. Robinson, a sales promotion agency.

But some marketers go further than simply giving away seats as gifts. "The name of the game for many companies is to acquire shelf space," said Robinson. "And sports sponsorships can provide powerful and unique tie-in opportunities for the trade." Sponsors can involve the trade by providing them with point-of-purchase material, incentives and promotions relating to the sponsorship, said Judy Klein, manager of special events for General Foods USA in White Plains, N.Y.

Involving employees is critical to get the most bang for the buck. "The point of any promotion is to increase sales," said Michael Lynch, director of corporate

marketing for ProServ Inc., a Washington-based sports marketing company. "If salespeople aren't involved, you might as well kiss your investment away."

"Take a look inside the company at the sales force," said Howard Marlboro's Dixon. "Will they understand the sport? Or is it too esoteric? If they understand it, they'll sell it."

Often the most overlooked component of the marketing mix is the simplest: involving nonsales employees. "Let your employees know about the sponsorship and get them excited and involved," said Mark. "For instance, if an airline were to sponsor the New York Mets, their New York-based employees could wear buttons which state, 'Let's Go Mets.' Getting employees involved is an inexpensive public relations tool which can boost morale and in turn increase sales."

Giving away ad specialty items—whether it be to consumers, the trade or employees—to promote the event is important to any sponsorship. "Customized merchandise provides a residual value for the brand's identity," said Allan Winneker, president of the merchandise division at the Carlson Promotion Group, headquartered in Milwaukee.

Give away advertising specialty items to promote the event: Customized merchandise provides a residual value for the brand's identity.

At first glance, sponsorship options seem endless: from the big four sports—baseball, basketball, football and hockey—to such lesser knowns as tractor pulling and regatta racing. Particularly "hot" right now are windsurfing, volleyball and cycling, according to ProServ's Lynch. "These sports are gaining popularity among the public. They provide new opportunities for companies that want to get in at the ground level, before a sport takes off."

That is what the Volvo North America Corporation did with tennis in 1972 with an investment of \$12,500. Its 1988 budget hovers around \$4.5 million. Best known for the Volvo Grand Prix—a professional men's tournament that Nabisco took over in 1985—the car maker's involvement includes sponsorship of professional, amateur and collegiate tennis competitions.

"When we got involved, sports mar-

keting was not an established entity," said William Mergler, director of corporate promotions for Rockleigh, N.J.-based Volvo. "But the demographics and image of tennis enthusiasts almost directly reflect our target audience." According to Mergler, the median age of both Volvo car buyers and amateur tennis players and spectators is 37. Median household income for both buyers and players/spectators is over \$55,000; about 80 percent attended college, and 65 percent are considered professionals or management.

To promote regional professional events, Volvo hosts tailored consumer promotions. In Orlando, Fla., local dealers offered two tickets to anyone over 21 who came in for a test drive. For the Newport, R.I., tournament, seven regional shopping malls displayed Volvos filled to the brim with tennis balls. Consumers who correctly guessed the number of balls were eligible for such prizes as tennis resort vacations, tennis equipment and apparel, and tournament tickets. In Chicago, where cars were displayed at 11 regional malls, consumers who leased a Volvo for the month of April received four tickets to the tennis finals.

To involve the trade, Volvo often hosts dealers at a pre-game party and at the match. The company also hosts an "employee night"—with Volvo's president Bjorn Ahlstrom in attendance—at each regional branch and headquarters. Afterward, employees get to attend the match.

Most companies cannot take over a sport the way Volvo has. Another way to guarantee exclusivity is to create an event. One successful endeavor is Manufacturers Hanover's 3.5-mile road race, called the Corporate Challenge. Begun 12 years ago as a New York event, the bank's growth prompted expansion of the race to 13 American and three foreign cities.

"We developed the event initially to

■ DEMOGRAPHICS OF AMATEUR PARTICIPANTS

	Skiing	Tennis	Cycling	Soft
► Age	Under 17: 24.1% 18-24: 28.1% 25-34: 25.5% 35-54: 20.4% 55+: 1.9%	Median: 37	18-34: 57% 35-49: 28.2%	Mostly 25-45
► Income	Under \$15,000: 11.2% \$15-24,900: 12.4% \$25-34,900: 22.7% \$35-40,900: 27.4% \$50,000+: 26.3%	Median: \$55,500	Average: \$40,000	at least \$30,000: 60% at least \$40,000: 40%
► Education				
At least some college	65%	79%	75.7%	85%
► Occupation				
Managerial, professional or executive	N/A	65%	60%	27%

Sources: DelWilber & Associates, McLean, Va.; ProServ Inc., Washington, D.C.; and The Travelers Companies, Hartford, Conn.

Getting employees involved in a sponsorship program is an inexpensive public relations tool that can boost morale and, in turn, increase sales.

get our name and image out in the marketplace," said Barbara Paddock, vice president and director of special events for the New York-based Manufacturers Hanover Corporation. "Today we get front-page press in just about every city," she claimed.

Participants in the Corporate Challenge are the audience that Manufacturers Hanover targets: corporate decision makers. Targeted companies receive a race kit that includes promotional posters and invitations to post-race festivities.

Local bank employees are involved in race activities. Recruited to administer the race, employees also act as emcees and present awards.

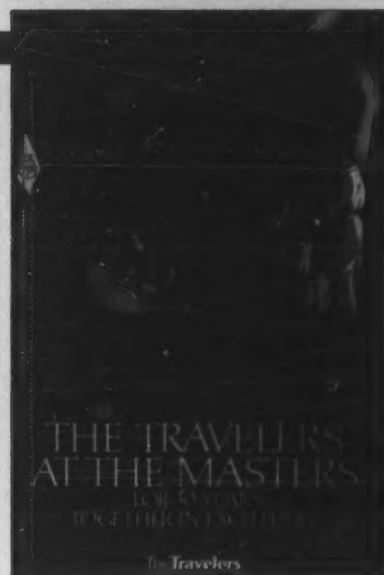
The company's first-year investment of \$10,000 has grown to \$1 million. The event has received such attention that other companies have signed on as cosponsors, according to bank officials. They include Continental Airlines, American Home Products' Advil and The New York Times. And these sponsors spin off

their own promotions. For example, the Times will give away free samples and customized sport bags, and will sponsor parties in each city.

Many companies consider the creation of a new event too risky and prefer to go with a known entity. An organization that traditionally does not run consumer promotions, the Chicago-based Blue Cross & Blue Shield Association decided to sponsor the 1988 Winter Olympics in Calgary. The Olympics were chosen to match the association's advertising theme: "Carry the caring card." "You want athletes to feel covered and protected," said Dixon of Howard Marlboro, the agency responsible for the sponsorship.

"Moreover, the association needed a sponsorship which could provide a common denominator to its 96 regional offices," he said. "A particular sport would not have done that."

To further communicate its spon-



Independent insurance agents can win trips to the Masters.

sorship to customers, Blue Cross ran a direct-mail campaign offering bags and apparel imprinted with the seal of the United States Olympic Committee.

For the regional offices, Blue Cross created manuals that explained how to adapt the Olympic sponsorship to regional business objectives. Dixon reports that about 800 employees—both sales and nonsales—won trips to the games. The association would not comment on how these trips were distributed. It is currently evaluating the results.

For the Hartford, Conn.-based Travelers Corporation, sponsoring the Masters golf tournament makes for "a solid marriage," said Richard Brown, second vice president of advertising marketing services for the insurance company. "The event and our company both portray quality, excellence and a history of tradition," he claimed.

More than 25 million people watch golf and another 20 million play at least once a year, said Brown. More than half the spectators earn \$30,000 annually, while 40 percent of the players earn at least \$40,000. "Simply, golf attracts corporate executives who make decisions about insurance," said Brown. "Travelers policy holders are 24 percent more likely to play golf than the general public."

The Travelers provides agents with a 16-minute video of the Masters, pro-

CONTINUED ON PAGE 37

Circle No. 112 on Buyer Action Card →

■ DEMOGRAPHICS OF PRO SPORTS FANS

	Hockey	Football	Basketball	Baseball
► Popularity				
By region	Northeast	West	West	Midwest
► Education				
Attended college	54.6%	39.7%	39.9%	41.5%
► Occupation				
Managerial, executive or professional level	40.9%	38.4%	28.8%	27.9%
► Income				
Under \$35,000	28.7%	48.1%	46.5%	48.9%
\$35,000-49,000	26.9%	16.8%	25.6%	28.2%
\$50,000 +	44.0%	34.9%	27.7%	22.7%

Information compiled by DelWilber & Associates, McLean, Va.

motional posters and point-of-sale displays with television viewer guides. Each guide has a slot for an agent's business card. "This enables agents to put them in country clubs and target their potential clients," Brown said.

But the sponsorship is not just for the sake of potential customers. "Golf is part of the lifestyle for most of our independent agents and brokers," said Brown. "We have developed the Masters sponsorship to become part of the corporate culture."

Each year, incentive campaigns aimed at the Travelers 2,000 core agents offer a trip to the Masters. Winners are flown on the company jet and wined and dined at the event. Each receives a bag of customized merchandise—from cookbooks for the spouse to visors and suntan oil.

This year, a Masters scratch-off game card was mailed to key brokers. To win, agents had to follow the tournament. Prizes ranged from a trip to London to imprinted visors. Brown reported a 23-percent response rate on the card.

And for nonsales employees, a putting contest is held one week prior to the Masters. For three days, the home office sets up a golf turf and challenges its employees to make a hole in one. Golf shirts and balls are awarded to winners, who also are entered in a drawing for eight golf-related prizes ranging from warm-up suits to windbreakers.

Whatever the sponsorship vehicle, cost is a concern. Prices range from thousands of dollars up to seven-digit

figures. A lot of the lesser-known sports are still negotiable.

Marketers can expect to pay a hefty sum to play in the major leagues. For basketball, hockey, football and baseball, buyers must spend at least several hundred thousand dollars for just the sponsorship, according to Seth Sylvan, public relations manager/business for the New York-based National Basketball Association, and Steve Flatow, director of sales and marketing for the New York-based National Hockey League.

And that is just the beginning. "General rule of thumb is that a marketer will spend \$3 for every \$1 of the sponsorship fee" in advertising and marketing support, said Dixon. □



■ WHITE CHOCOLATE AND SKIING

Snow-capped mountains and winter sports come to mind when people think of Switzerland. That is why the Nestle Foods Corporation, a chocolate maker with a Swiss heritage, decided to get involved with skiing.

Official sponsor of the U.S. ski team, Nestle was looking for an event to help promote its newest candy bar: Alpine White with Almonds. Nestle's objectives were to link the brand to the company's alpine heritage, to create awareness in a key market and to find a venue for sampling the product.

Nestle selected the 35th annual Aspen/Snowmass Winterskol celebration. The five-day January festival, which occurs in one of Nestle's key markets, reportedly attracts young, upscale skiers from all over the country. Five mountains host the festival, each sponsoring one day of festivities. Activities include hot-air balloon races and parties. "The audience was right for Alpine White with Almonds," said Susan Cocco, vice president for Don Jagoda Associates, Syosset, NY. "This is not a kids' candy bar."

At ski lifts and restaurants, Nestle

distributed an Alpine White brochure offering tips on ski topics like how to stay warm. In addition, on-mountain energy break centers offered free samples and the brochure.

Nestle threw three apres-ski parties that included trivia contests and treasure hunts on skis. Winners earned skis and ski outfits.

Leaving no pillow unturned, Nestle distributed a sample candy bar to each of the 20,000 hotel rooms in the region. And all air passengers flying from Denver to Aspen on United Express or Continental Express received the white chocolate candy bar. Nestle gave away a total of 150,000 Alpine White bars during the festival.

All this sampling may appear to some as overkill, said Robert Sperry, business manager for Purchase, NY-based Nestle's Confections, but "we wanted to gain high-quality trial. That means reinforcing the experience and image."

A fourth-quarter incentive program required Nestle's Western region sales force and distributors to increase the volume of display units. The highest achiever sold 45 percent more than the previous year.

Twelve winners—six salespeople and six distributors—and their spouses attended the festival, receiving free lodging and lift tickets. They also attended a private fireworks display and a Western barbecue.

The Winterskol sponsorship cost \$10,000, according to Cocco. Alpine White also sponsored the current Snowmass Hot Air Balloon Festival—a summer and winter event. The fee for this title is \$15,000.

What did Nestle achieve? "It was the most ubiquitous local marketing activity ever done," said Cocco. "However, it is harder to qualify the more concrete results. This sponsorship was designed to acquire increased distribution among the trade."

"This sponsorship has only just begun to accomplish our objective—to get people to think Nestle's Alpine White with Almonds when they think of skiing," said Sperry. "Next year we will become even more involved with sponsoring ski-related promotions and events on a national level." □

More and more companies report that something extra, creatively presented, can significantly alter attitudes toward the business and the job.

The old saw, "you get to keep the job," is increasingly recognized by management as a sickly substitute for real motivation. More and more companies find that something extra, creatively presented, stimulates action in the work force and can significantly alter attitudes toward the business and the job. And executives are measuring these results in dollars and production units, not just in sentiment.

In the first effort to tally employee motivation practices, **Incentive** recently surveyed its readers. What are these companies doing? What are their goals? To whom do they offer incentives? What do they offer? What do they achieve, and how do they measure results?

Of 279 respondents, 17 percent reported no use of employee awards. The practices of the remaining 231 companies provide the first-ever comprehensive picture of motivation in the office and factory.

There has been a general assumption that most companies offer cash awards most of the time. However, exceptions are turning into rules, and merchandise and travel are doing much better than holding their own.

Among the users in this survey, merchandise is the strong favorite in motivating production personnel, while cash holds a strong grip on programs for office and other service employees. In overall expenditures, merchandise holds 39 percent of the volume, and cash totals about 36 percent. Travel receives about 15 percent of the volume, with the remaining 10 percent going for such recognition awards as jewelry and plaques.

Total expenditures planned this year by the 215 firms that provided figures come to \$15.5 million—or an average of about \$72,000 per company. That is 84 percent higher than the same companies reported spending in 1987.

Cash awards, as many users attest, offer the virtues of flexibility and simplicity—and don't tax the imagination a bit. More management people are coming to see broader appeal and potential cost savings in noncash awards.

One example is presented by Brew-

FACTS SURVEY

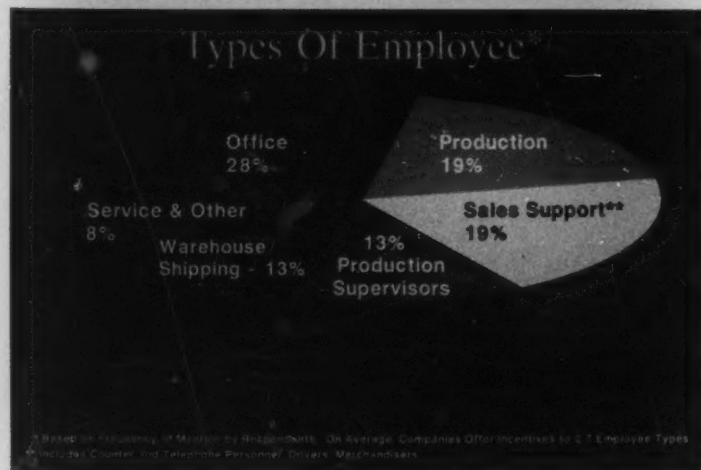
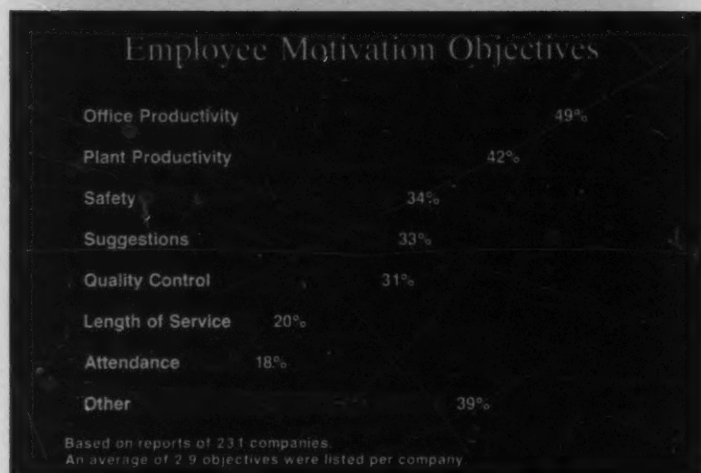
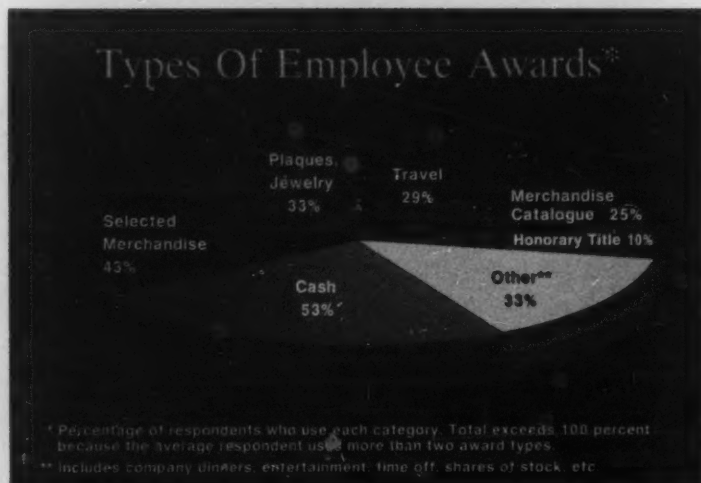
Incentives for Nonsales Workers

ster Dairy in Ohio, which uses merchandise and travel to motivate 150 employees. Unit costs range from \$10 into the thousands. "It is best to do a lot of different things and keep changing," says director of marketing Ralph D. Martin. "The most insignificant items even add enthusiasm. We gave a \$3 Christmas tree ornament—great comments."

MORE ON PAGE 54



Cash, merchandise and travel are the awards most frequently offered in employee motivation efforts.



It is not likely that \$3 in cash would elicit much enthusiasm. Better still, Christmas ornaments or sports equipment or television sets cannot go into the same pocket with wages or salary and be quickly forgotten.

Whatever the prize, what is the payoff? It ranges from the somewhat intangible—morale, better attitude—to the very measurable and specific—improved attendance, reduced compensation and insurance costs, cuts in defects or spoilage, production increases. Regardless of the yardstick, results usually come down to the basics that some executives summarized in a couple of words: "Better employees."

Who are these better employees? The largest group is office employees, targeted by 75 percent of all companies in the survey. Production personnel receive awards from 50 percent, and production supervisors share in the rewards at 35 percent of these firms. The users named an average of 2.7 employee types.

The average work force at these companies numbers 2,829, with a median of 100 employees. An average of 2,362 (median 65) are eligible for awards. About 29 percent of the respondents include union-member personnel in award programs.

In looking at the objectives of employee award programs, the survey posed specific, generally measurable achievements. But many respondents made it clear that a less measurable but perhaps more important one should have been included: morale.

At the Sample Service Corporation, a swatch book distributor in Long Island City, N.Y., a continuous cash-award plan results in "better quality and better morale," says vice president Vincent Scandurm. "There is a feeling of ownership among the employees which is so important. I have one employee who won a large award and then canceled his vacation to help us out during our busy season. It does make a difference."

C. Pastore, marketing director at Vertex Industries, an electronics company in Clifton, N.J., says his merchandise award program for plant and office staff is "simply used for employee morale and [the] feeling of

being a team member with a purpose in the total scheme of things."

Among the specific objectives listed in the survey questionnaire, office productivity is the leader, chosen by 49 percent of these executives. Plant productivity is a close second at 42 percent. Safety, suggestions, quality control, length of service and attendance follow in that order. A very large "other" category cited by 39 percent of respondents points up the versatility of this type of employee motivation effort.

Most executives—72 percent—have continuous award programs. Those without year-round plans average two campaigns a year of nine weeks in duration. On average, 47 percent of eligible employees earn some award.

What they win varies from just a few dollars to many thousands in value. The average is a healthy \$423 per award; the median is \$100. This is based on 472 different price points mentioned by the survey respondents. On the high side, 16 percent of all companies give awards of \$1,000 or more.

Most companies gauge results against specific measures, but they also look for such intangibles as increased morale.

While individual achievement of goals is the primary criterion for determining award winners, teamwork is an important factor for many. In 28 percent of cases, it is team competition that earns the prize.

Cal Snap & Tab, City of Industry, Calif., runs a team program in which everyone can win—but the best team gets a plum. "We're using a combination spoilage/attendance program," says marketing manager Richard S. Calhoun. "Last year, we put \$40,000 into a special fund and every time a mistake was made, we deducted from the \$40,000. We ended up giving out about \$7,000." This year, Cal Snap has divided 36 employees into four teams, with a prize kitty of 1 1/4 percent of shipments. One-fourth of a percent is credited to each team, and spoilage by any team member is deducted from it.

At the end of the program, the team with the lowest spoilage also gets the leftover 1/4 percent.

Teamwork is a by-product at Marassou Vineyards, San Jose, Calif., although the awards are not team-based. Says director of marketing Daniel J. Wildermuth: "Our main employee incentive program has raised the average level of performance considerably. Teamwork and interdepartmental relationships have been enhanced. The use of a well-organized employee incentive also has given management a strong system to oversee, manage, evaluate and recommend changes in the performance of this staff." Only 10 percent of Marassou's 40 eligible employees (of a total staff of 108) qualify for awards, but all employees receive a sample bottle of wine each month.

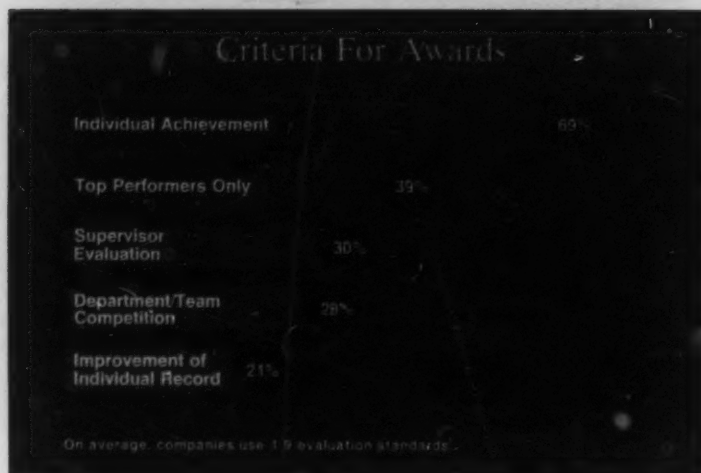
Both individual achievement and

Fiesta Americana
Puerto Vallarta

Fiesta Americana
Cancun

Fiesta Americana
Plaza Vallarta

Fiesta Americana
Plaza Cancun & Villas



team competition govern the awarding of about \$100,000 worth of merchandise at Ohio Penal Industries, Columbus, which produces over \$20 million worth of apparel, detergents, food, furniture and printing. Of 1,530 employees, awards are offered to about 500 union workers. The continuous program has yielded results "130 percent over goals for three of five

sections," according to marketing manager William P. Burke. About 95 percent of those eligible earn awards, which cost from \$50 to \$250.

Team competition is also the route for the Arnold Engineering Company, Marengo, Ill., which has 500 eligible employees vying for merchandise, travel

and recognition awards—and 90 percent winning. "After years of trying and failing with traditional methods to improve our safety record, e.g. workers' compensation cost, lost-time accidents, reportable accidents, etc., we introduced incentives," says vice president of human resources Lawrence J. Kosiek. "As a result, we have improved in every measurable area by at least 40 percent and have enjoyed an 80 percent reduction in overall cost."

"Reduction of workers' compensation costs in excess of \$5 million per year" has been the result of a continuous incentive program at the Campbell Soup Company, Camden, N.J., according to director of safety Fred Wahl Jr. A merchandise catalogue plan yields awards for about half of the company's 21,000 production and warehouse employees. The prizes cost from \$5 to \$400, with special awards up to \$2,500 for top performers in the safety-oriented campaigns.

It takes a lot of drum-beating to make an employee motivation program work. Campbell Soup, for exam-

■ FIRST-HAND RESULTS

We asked survey respondents to comment on the most significant results achieved through the use of employee motivation programs.

- "We have seen a complete turnaround in our safety performance. We have gone from the bottom of our division...Over a three-year period, employee participation in a plant suggestion system has increased from 17 percent to 65 percent despite union opposition to the program."—pharmaceuticals company, Southeast

- "Twelve percent increase in production output by the factory employees."—food distributor, Tennessee

- "So far the program has brought harmony between departments. Previous award recipients give other employees a yardstick by which to measure themselves. This has improved productivity, atten-

dance and safer working habits by almost 10 percent."—aerospace parts supplier, California

- "Loyalty to co-workers. Pride of accomplishment fosters innovation and quick response to market changes."—communications company, Michigan

- "More interest by employees in company activities."—building materials wholesaler, Washington

- "Award of excellence from some customers...less rejects...increased productivity."—automotive parts manufacturer, Illinois

- "Drastic reduction in lost-time accidents."—refrigeration company, Michigan

- "Reduced employee turnover...less errors...greater productivity...more politeness between workers—ditto customers"—hardware manufacturer, New York

- "The awards have created the 'team' environment, and the concept has increased our overall results—

i.e., sales, distribution, merchandising efforts—by at least 73 percent."—cosmetics distributorship, California

- "The staff has enhanced its team approach to complicated cases and talk to each other. They have won the recognition of the physicians, because all patients have nutrition work-ups whereas before only 5 percent of the patients did. This has earned each dietitian a real place on the medical-care team."—hospital food service, Connecticut

- "Productivity is up 10 percent, and absenteeism is way down. Our company is small, and the purpose is to develop employee loyalty to the company and the desire to work here."—broadcasting company, New York

- "Our plant has worked over 11 million continuous safe man-hours without a 'recordable' lost workday accident. This is a national record."—utility Southeast ☐

ple, uses employee meetings, supervisor promotion, publications, posters and bulletin boards to get the word out—and uses most of the same media to publicize winners.

Employee meetings are the most widely used promotion vehicle among the surveyed executives—used by 81 percent. Another 49 percent depend upon posters and bulletin boards; the same number count on supervisors to get the story across. Employee publications are used by 40 percent. Only 16 percent mail campaign materials to employees at home.

At the other end of the process—presentation and publicizing of awards—company meetings are tops at 68 percent, with department meetings used by another 34 percent. About 36 percent tell the story through company publications; 33 percent put the news on bulletin boards; 33 percent have private presentations, and 13 percent put out press releases on the winners.

Responsibility for employee motivation programs varies widely. Often it is a human-resources or personnel executive who directs the program, although they account for only 12 percent in the final decision on purchasing awards. Division or department managers have the final say at 17 percent of the companies. Plant, production and customer-service managers occasionally have the say-so. But as in most other incentive decisions, it is the top executive—president, CEO, general manager—who has the major weight, 68 percent of the time.

At quite a number of companies, employee motivation programs are directed by an executive with a marketing title. This may be because marketers are familiar with incentive plans or because the results are considered a marketing function.

That is clearly the case at J.A. King, Greensboro, NC., a distributor of industrial scales and weighing equipment. James A. King III is vice president of marketing, and he has a real marketing goal for the company's service-personnel incentive program: generating sales leads from service calls. The plan involves 15 of the company's 40 employees, and they are offered awards—some merchandise,

mostly cash—for their individual achievement in increasing the flow of leads. "Although our program is small," King says, "we have seen a significant increase in the amount of leads brought in by our field service personnel. We have quarterly prizes for the top performers, and everyone receives a cash bonus at the year-end based on percentage of participation. This method increases morale and promotes participation." ☐

At many companies, marketing executives direct employee motivation efforts. This is probably because of their experience in the use of sales and dealer incentives.



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Let's go to the videotape: Americans by the multimillions are exercising, playing amateur sports and enjoying the great outdoors. The National Sporting Goods Association (NSGA), Mt. Prospect, Ill., which collects data on participation and equipment sales, paints a portrait of a highly active nation: 73 million swimmers, 54 million "exercise walkers," 50 million cyclists and 48 million fishermen in 1986. Retail sporting goods sales grew 5 percent in 1986, with a 4-percent rise estimated for 1987.

Marketers and motivators have long made sporting goods a standard in their repertoire of incentive programs. "For the most part, it's a reliably performing category," says Brad Forsythe, purchasing vice president for Original Incentives Inc., Cincinnati. The company uses sporting goods, bicycles and exercise machines in its catalogues for consumer, dealer and employee incentives.

That being so, the best way to score points with sporting goods is by keeping up with trends. Specific sports and methods of exercise rise and fall with public taste. Golf and tennis, for example, seem to bounce back and forth in an inverse relationship: The consensus is that golf is ahead right now, while tennis lags.

According to NSGA statistics, exercising with equipment and exercise walking are the hottest sports—those with the most new participants in 1986, the latest year for which this data is available. These are followed by camping, fishing and cycling.

"Probably the hottest items right now involve golf," says Bill Barry, national sales manager for the premium sales division of Spalding Sports Worldwide, Garwood, N.J. "There has been a dramatic increase in the number of players in the last three years. And on top of that you have an increase in the number of rounds played. Golfers before were playing about four times per month; they're now playing eight times per month." Spalding does its own studies of sports participation, and Barry cites television exposure as a big reason for golf's increased popularity. More women players also contribute to the trend.

"Next would be softball," Barry says. "You have over 30 million players, both men and women. Just about every company has a team—or two, three or more. It's played in spring, summer and into the fall."



COMSOCK

Sporting

GOODS

BY MICHAEL GATES

Keeping up with sports participation trends is the best way to score promotion points with equipment.

Basketball attracts 24 million amateur players, Barry says. It's a versatile sport: "People in the suburbs have a basket in the yard," he says. "In the cities, people play at all types of playgrounds. It's a sport that can be played by one person or a team."

Tennis, which had been "down for a number of years," is making a comeback, Barry says. The sport attracted 20 million players at one time, dropped to 15.5 million but is now gaining again. "It declined for a number of reasons," he explains. "It was replaced by jogging, and it was somewhat hurt by racquetball. And in order to really enjoy the game, you have to play with someone of equal or better ability. That was always a problem."

In recent years, attempts to involve inner-city residents and young people in the game have been successful, Barry says. According to NSGA, 18 million Americans played tennis more than once in 1986.

Bob Clemens, premium sales director for Wilson Sporting Goods, River Grove, Ill., confirms that "golf is hot," as are inflatable items, footballs and basketballs. "Junior golf sets for kids are doing very well," Clemens

Fitness equipment attracts considerable consumer attention: Bayer Aspirin used an aerobic training machine in its sweepstakes, attracting hundreds of thousands of responses.

says. "Raquetball is dead. It's a little too fast and dangerous for most people. My daughter was interested in it until she was hit by a ball. Even though it went into her goggles, she still got three stitches."

At Los Angeles-based Sport Fun Inc., general manager Philip Myers finds that scooters, skateboards and miniature basketballs are hot. The company's "Mini Size 3" half-sized basketballs have been used in consumer promotions by such organizations as the Quaker Oats Company

(for Gatoraid), Nike Inc. and the Seven-Up Company, Myers said.

Exercise equipment—mats, weights, a karate bag—also move well. The company has a foam exercise mat with a zippered cloth cover

that has been used in programs for General Mills cereals, the Royal Crown Cola Company's Diet Rite and Sears Roebuck & Company.

Original Incentives' Forsythe advises buyers on the seasonal nature of sports products: "Camping, hunting and fishing products...are generally good responders. They haven't been big for us in the last few months, but we're coming into their season now. It's a matter of looking at a whole year's activity before branding something a loser or a winner.

"I can't think of any [incentive] program where sporting goods would not be applicable," Forsythe adds.

Some typical retail prices for sporting goods are: \$165 to \$350 for a full set of golf clubs; \$130 for a "decent bike" but "\$300 for a high-class model," according to Forsythe; \$20 to \$150 for a tennis racquet; \$12 to \$60 for basketballs; up to \$85 for a softball glove, and \$8 to \$9 for a softball.

Contrary to some reports, Americans' concern with being fit—and desire for equipment that can help them reach that healthy state—is still rising, according to Sandra Lerner, editor of Fitness Industry magazine in North Miami. Although people are still pedaling exercise bikes and rowing on machines, the most popular fitness products right now are treadmills and "ski machines," Lerner

SPORTS PARTICIPATION

The table shows new participation in various sports and activities by Americans aged seven and older in 1986, as well as total participation. "Participation" is defined as playing the sport or engaging in the activity more than once during the year. All figures are in millions.

SPORT/ACTIVITY	NEW PARTICIPANTS	TOTAL
Exercising with equipment.....	6.9.....	32.0
Exercise walking.....	6.8.....	53.5
Camping.....	6.4.....	41.2
Fishing.....	6.2.....	47.5
Bicycle riding.....	6.1.....	49.7
Bowling (10-pin).....	5.7.....	34.2
Swimming.....	5.2.....	72.6
Boating (motor).....	4.9.....	25.5
Aerobic exercising.....	4.5.....	21.9
Basketball.....	3.5.....	21.1
Volleyball.....	3.2.....	20.7
Tennis.....	3.1.....	18.0
Golf.....	3.0.....	20.0
Hunting/shooting.....	2.9.....	20.5
Softball.....	2.8.....	20.9

Source: National Sporting Goods Association, Mt. Prospect, Ill.

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says. The latter exercise both the upper and lower body by simulating cross-country skiing.

"And people who can afford \$3,000 and up are getting into multi-station home gyms if they've got space for it," she adds. Foldaway home gyms that take up less space are also beginning to appear. "They're becoming more popular as the price comes down and space efficiency goes up," Lerner says.

"Travel fitness products"—portable weights and stretching devices—allow busy executives to exercise on the road, and Lerner sees many new products in this category.

Fitness goals have changed over time, from an almost exclusive emphasis on losing weight to today's more holistic concern with aerobics and cardiovascular health. "That's why walking is becoming so popular," Lerner says. "People can get the same benefits as with running without killing their knees and back. Aerobics is still in a very strong phase, though it's no longer the high-impact running, jumping and bouncing." Low- or no-impact exercises, which are much easier on the body's joints, are more popular now.

Exercise shoes, mats and videotapes are all part of the aerobics movement.

The popularity of fitness equipment yields considerable consumer attention. For example, the Bayer Aspirin division of Glenbrook Labs, New York, teamed with Bally Life Fitness, Irvine, Calif., for the Bayer and Lifecycle Sweepstakes—attracting hundreds of thousands of responses.

The Lifecycle aerobic trainer is a computerized version of an exercise bike, complete with a digital readout of pedaling RPMs, elapsed time and calories per hour, and programs that simulate hills and valleys. Its retail value: \$2,150. Other prizes included Joe Weider family fitness centers (valued at \$795) and rowing machines (\$295), and Seiko watches (\$195) with pulse meters.

Free-standing inserts announced the sweepstakes in January; winners will be selected this month. The insert included an offer for a free fit-

KEEP IN MIND

- While swimming is tops in overall participation, men over age 55 prefer exercise walking, fishing and golf. Women over 55 choose exercise walking, swimming and bicycling, in that order.

- Exercise walking, second in overall participation, skews largely female. On the other hand, running and jogging are male-dominated, with a majority under the age of 25.

- The best way to add value to sporting goods is to create a package that is not available at retail. Good examples: a glove and softball; golf bags containing woods, irons,

head covers and balls; dumbbells, a fitness video or a jump rope with an exercise mat.

- Stock merchandise frequently can be fulfilled in two to three weeks, while special imprinting may require eight weeks.

- Because of their weight, exercise machines or bicycles can be damaged during shipping—resulting in very unhappy winners. Make sure to use proper packaging.

- A bicycle or fitness product that requires assembly is less motivational than one that arrives ready for action. □

ness booklet from Lifecycle, and a 50-cent coupon for aspirin. Tear pads announcing the sweepstakes were used in stores.

"We've decided that promoting good health is very appropriate for

our product," says Bayer's group product manager Bill Straus. "So we looked for something that also promotes good health." He notes that the Lifecycle name has brand recognition. □

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